

Memorandum



Date: July 13, 2009

To: Honorable Chairman Javier D. Souto
and Members, Recreation, Culture & Tourism Committee

From: George M. Burgess
County Manager

RCT
Agenda Item No.
8 (B)

Subject: Report – U.S. Domestic and International Freight Activities at Miami International Airport

The following information regarding U.S. domestic and international freight activities at Miami International Airport (MIA) is provided pursuant to a request from Chairman Souto at the June 10, 2009 Recreation, Culture & Tourism Committee meeting.

Air freight activity is a good barometer of overall world trade volumes. According to the International Air Transport Association, IATA, in this global economic downturn, air freight growth turned negative in June and started to fall sharply in September of 2008. Growth in overall world trade volumes turned negative in November and then fell severely in December. With the global manufacturing process at a virtual standstill and the tight money market that underwrites foreign trade, 2009 has brought declines in international air freight to an average of minus 24% in the first quarter of 2009. These figures are consistent with the minus 24.18% in international freight and the minus 21.80% in domestic freight at MIA as reported to this Committee at the last meeting and evidence the direct impact of the global economic recession on both domestic and international air volumes at MIA and virtually all air cargo hubs.

IATA suggests that air freight could see a boost as a result of the need to replenish a lagging manufacturing inventory cycle later in 2009 and in early 2010, with more normal growth rates not anticipated until late 2010 or 2011. As reported to you today, freight activity for the month of May reflects a slight improvement over our April numbers in both international and domestic freight at MIA with international freight down 19.20% and domestic freight down 20.24%.

In the meantime, the Aviation Department has continued with its cargo marketing efforts to retain and expand the cargo and air service business base. This includes:

Exhibit and Cargo Meetings at Air Cargo Europe – Munich, Germany – May 2009

- Distributed over 300 MIA cargo informational packages to interested parties
- Conducted 22 business meetings with cargo related companies and airlines
- Met with two Italian cargo airlines in an effort to recruit cargo freighter service from Milan
- Met with two Eastern European carriers looking to develop freighter service

Participated in the Miami-Dade ITC Mission to Osaka and Taipei – May / June 2009

- Had nine (9) one-on-one meetings w/ forwarders and interested parties
- Visited with US Commercial service in each country
- Toured three (3) firms who export high-technology goods

Will Exhibit and Hold Cargo Meetings at Air Freight Asia – Hong Kong – September 8 – 10, 2009

- Will staff MIA exhibit booth at trade show
- Conduct one-on-one meetings – 12 anticipated (to-date)
- Will meet with Cathay Pacific Cargo representatives
- Will meet with Hong Kong International Airport representatives
- Will meet with the Hong Kong Trade Development Council

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Will Exhibit and Hold Cargo Meetings at Air Cargo Americas – Miami – November 4 – 6, 2009 /
Doubletree

- MIA is host airport
- Large Latin American/Caribbean air cargo attendance

New Cargo Service at MIA

- Cathay Pacific Airways Freighter since March – 3 flights to/from Hong Kong weekly
- LANCO – LAN's Colombian carrier / B767-300F to Bogota
- Insel - New passenger service to Curacao – belly cargo
New passenger service to Bonaire as of July 4 – belly cargo
- *Airberlin* - As of June 1 - 5 weekly flights to / from Dusseldorf – belly cargo
- Air Europa - As of June 20 – 1 weekly flight to / from Tenerife



Assistant County Manager